

R.J. Reynolds

Tobacco Co.

Amy Mc Partlan

Systems Coordinator
150 Lawrence Bell Dr.
Suite 108
Williamsville, NY 14221
(716) 634-8577
(716) 634-3145

Sent Via E-Mail March 7, 1996

To: Division Managers

Re: Daily Exception Report

On a recent trip to Buffalo, Manager of Merchandising & Sales Area Support, Rebecca Fullton reviewed our Region's guidelines for the Daily Exception Report.

Effective immediately, Managers will be required to provide explanations for these exceptions. The attached spreadsheet, a condensed form of the Daily Exception Report, provides an area for these explanations. The spreadsheet must be returned within a week of receipt with the appropriate clarifications.

I understand that this report is time consuming for you. Many of the accounts listed on the report can be easily explained. To save you time, I will be handling some of the accounts in the following manner:

Problem: Many accounts listed on the Daily Exception report have Incorrect SIS RJR Volume.

- To assist you, AIM & SIS RJR Volume will be listed on the spreadsheet, the higher of the two being utilized in the Promoted Volume equation. If AIM volume is higher, SIS volume will be updated. If volume changes to show the % of promoted volume under 100%, account will be in shaded, and no explanation will be required from you. If volume changes are made and % of promoted volume is still over 100%, an explanation will be required by you.

Problem: Many accounts are being paid at \$1.00 for accrual funds. This amount is not their average dollar discount.

- For accounts that are being paid for accrual dollars, I will use \$2 or \$3 accordingly as their average dollar discount.

Hopefully, the above changes will decrease the size of the report, and focus your attention on areas where there may be problems. This report should assist you in identifying problems with discounting.

Again, I need responses for this report. Your assistance in sending them in a timely manner will be greatly appreciated. If you have any suggestions on how to improve this report, please contact me.

Sincerely,

Amy

A. McPartlan
#1610
c. S. MacLeod
R. Farmer

51859 6146

Daily Exception Report

Date of Report	# of Wks	Div.	SIS #	Account Name	RJR SIS Vol.	RJR AIM Vol.	Total Amt. Spent	Avg. \$ Amt discounted	Promoted Volume	Explanation (DM to fill in)
3/7/96	15	1622	456310	Cherry's Discount	129	149	\$6,200.50	\$2.50	110%	
3/4/96	15	1622	621026	Dahulich Dist. Inc.	850	584	\$34,164.00	\$2.50	107%	
3/6/96	15	1622	310108	Sheddens Wholesale	944	1154	\$42,396.50	\$3.00	82%	SIS Volume Updated
3/7/96	15	1622	553220	Westside Beverage	35	112	\$5,826.50	\$2.50	139%	
3/1/96	14	1623	541818	Amin Petroleum	86	86	\$3,980.40	\$3.00	110%	
3/1/96	14	1623	762191	Bolton Pharmacy	80	65	\$2,257.00	\$2.00	101%	
3/1/96	14	1623	619977	Country Feed Store	450	597	\$13,442.00	\$2.00	80%	SIS Volume Updated
3/1/96	14	1623	619772	Getty Service Station	280	733	\$19,989.00	\$2.50	78%	SIS Volume Updated
3/1/96	14	1623	417675	Harry's	100	100	\$3,453.00	\$2.00	123%	
3/1/96	14	1623	240242	Holmes & Kugler	108	108	\$3,469.60	\$2.00	115%	
3/1/96	14	1623	056684	Minoque's Beverage	125	n/a	\$2,037.00	\$1.00	116%	
3/7/96	15	1623	177253	Nail's Grocery	432	424	\$23,858.70	\$3.00	123%	
2/28/96	17	1623	331051	Prestige Petro Corp.	49	61	\$3,730.50	\$2.50	144%	
3/4/96	15	1623	113605	So Main Grocery	29	29	\$1,264.20	\$2.00	145%	
3/1/96	14	1623	130056	Tobi Corp.	181	249	\$7,516.00	\$2.50	86%	SIS Volume Updated
3/1/96	14	1626	598154	Bills W., Inc.	18	61	\$2,609.35	\$3.00	102%	
3/6/96	15	1626	269012	D&M Grocery	244	88	\$13,776.00	\$3.00	125%	
2/28/96	17	1626	422076	No Blanket	1838	1838	\$66,544.50	\$1.75	122%	
3/1/96	14	1626	676785	Smokin Joes	411	594	\$36,669.10	\$3.50	126%	
3/7/96	15	1638	113702	Bradford Village Store	59	44	\$2,406.50	\$2.50	109%	
3/1/96	14	1638	103182	The Country Mile	891	524	\$30,308.30	\$2.00	121%	

The above means we are promoting over 100% of the RJR volume by account.

Explanations are required from Management in one week's time. Less accounts will appear on report if Sales Rep keep the SIS RJR Volume updated. Please write your explanation in the space provided and Email back to Amy's attention. Thank you.

%s are based on the following equation: Total Amt Spent / # of wks / Avg. \$ Amt discounted / RJR Vol. = Promoted Volume.
If RJR SIS Volume is lower than RJR AIM Volume, AIM Volume will be used. RJR SIS Volume must be accurate!

Shaded accounts do not require explanations! ALL other accounts require explanations!